

# **ACH CREDIT INSTRUCTIONS AND GUIDELINES**

**Taxpayer's Guide to Successful ACH Credit Payments  
(Electronic Funds Transfer)  
via Taxpayer's bank**

**South Carolina Department of Revenue**

**EFT Helpdesk**

**(Revised 3/2015)**

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## INTRODUCTION

The South Carolina General Assembly authorized the South Carolina Department of Revenue (SCDOR) to require certain tax payments to be initiated to the state on or before the payment due date with funds depositing into the SCDOR bank account within two banking days after the due date. Revenue procedures and policies have been established by the South Carolina Department of Revenue for the administration of this Legislation, effective January 1, 1991.

The EFT Program offers two options of payment. Taxpayers may pay by ACH Debit or ACH Credit. The ACH Debit allows the taxpayer to use a telephone or web system through a DOR agent. This option would allow us to debit the taxpayer's bank account by the amount entered into the system by the taxpayer. The ACH Credit allows the taxpayer to send the funds to the Department of Revenue's bank account through a banking program offered by their financial institution. This document focuses on the ACH Credit option of payment.

Registering for this system can be done by completing the "[D128 - Registration Application for Electronic Funds Transfer](#)." The D-128 must be completed and processing time allowed before tax payments can be made through the EFT program.

The ACH Credit option allows you to initiate ACH transfers using the Cash Concentration and Disbursement Plus (CCD+) format. You will contact your depository, or currency management service provider, and instruct them to initiate the transaction on or before the due date. For the payment to be timely, it must settle in the state's bank account no later than two banking days after the due date.

**To initiate an ACH Credit, you must be set up to do so with your bank. If you wish to pursue this option, we recommend you contact your bank first to determine what ACH origination services they offer and the costs. If you have any questions concerning this procedure, please call your banking institution. The cost of this transaction is charged to the taxpayer.**

If you select this method, the South Carolina Department of Revenue will provide the State's bank account number and ABA (American Bank Association) Routing/Transit number necessary to initiate an ACH Credit. This will be mailed to you **after** you have registered with the Department to use this method. **(The State's bank account # used to receive ACH Credits is not the same account used for fedwires.)**

See the following pages for the CCD + record format (TXP addendum convention) and explanation of the data elements.

Advantages of making payments through the EFT program are:

- The cost and time to generate and sign checks is eliminated.
- You know exactly when your account will be debited.
- EFT can be implemented without any significant investment, such as additional computers or remittance processing hardware.

The purpose of this booklet is to provide you with specific information concerning taxpayer requirements and answers to some basic questions. When you have finished reading this document and you have additional questions or would like further information, please feel free to call SCDOR EFT Help Desk at **803-896-1715**. Our fax # is **803-896-1779**.

All EFT correspondence should be sent to the following address unless specifically instructed otherwise:

South Carolina Department of Revenue  
EFT Help Desk  
Columbia, SC 29214-0016

## PROGRAM PARTICIPATION

### WHO MUST PARTICIPATE IN THE EFT PROGRAM?

Taxpayers with a liability of \$15,000 or more during a filing period for any of the following tax types are required to make the funds immediately available to the state. EFT is one option to meet this requirement. (Filing period varies by tax type; i.e. Gasoline is monthly, Withholding is quarterly, Corporate is annually, etc.):

### TAX TYPES

911 Users Fee	Deed Recording Fees
Admissions	Dry Cleaning:
Alcohol:	Stoddard Solvent Fee
Alcoholic Case Additional	Tetra Solvent Fee
Alcoholic Liquor Excise	Electric Power
Alcoholic Case Retail	Indigent Health Care
Alcoholic Liquor Surtax	Motor Fuel:
Alcoholic Case Wholesale	Environmental Impact Fee
Alcoholic Liquor by the Drink	Gasoline
Beer Excise	Inspection Fee
Bingo	Special Fuels
Brew Pub	Public Utility
Commercial Nuclear Waste	Public Utility
Corporate:	Radioactive License Fee
Bank	Tobacco Products:
Corporation	Cigarettes
Electric Coop	Other Tobacco Products
Limited Liab. Corp.	Wine:
Non-Profit Corp.	Wine Additional
Savings & Loan	Wine Excise
Utility	**Withholding

\*\* Withholding taxpayers who make 24 or more payments within a one year period are also required to make funds immediately available to the state.

### WHAT QUALIFIES A TAXPAYER WHO MEETS THE THRESHOLD TO BE EXEMPT FROM EFT?

“Seasonal filers” are exempt from this program. A “seasonal filer” is a taxpayer who conducts business in South Carolina and is required to file and pay a tax liability only during certain seasonal months of the year, for example, summer or winter months.

Government agencies currently making tax payments through IDTs (Interdepartmental Transfers) are exempt.

If you fall within one of these categories and choose to use the EFT program, please mark the “EXEMPT” block on the registration application for EFT (D-128). Please return the application and any supporting documentation to the address shown on the D-128.

### WILL VOLUNTARY PARTICIPATION IN THE EFT PROGRAM BE ALLOWED?

Yes, voluntary participation is encouraged. If you do not meet the \$15,000 threshold or the 24 payment per year requirement (for withholding only), and you wish to make tax payments via EFT, you may do so. You must complete the registration application (form D-128) for EFT and check the block marked “Voluntary Participant”. The same procedure will be followed as those used by taxpayers who are required to make the funds immediately available to the state.

### **WHAT CONDITIONS MUST A TAXPAYER MEET TO WITHDRAW FROM THE EFT PROGRAM?**

The mandated taxpayer may withdraw from the EFT program if:

- For a period of twelve (12) consecutive months or four (4) consecutive quarters, the qualifying threshold amount of \$15,000 is not satisfied.
- For a period of twelve (12) consecutive months the number of payments remitted to the SCDOR has fallen below the 24 payment requirement (for withholding only).

A written request stating the reason for withdrawal must be made to the South Carolina Department of Revenue, EFT Help Desk, Columbia, South Carolina 29214-0016. Payments must be made through the established method until you are notified of an effective date to withdraw from the program.

### **HOW DO I REGISTER FOR EFT?**

Included in this document is a link for the "D-128 - Registration Application for Electronic Funds Transfer". The application must be completed, signed, and returned to the South Carolina Department of Revenue, EFT Help Desk, Columbia, South Carolina 29214-0016 or faxed to (803) 896-1779. If you are mandated to make funds immediately available to the state, please return the application within ten (10) days of receipt.

**A D-128 must be completed for each type tax being paid through the EFT program.** Receipt by the South Carolina Department of Revenue of the completed EFT registration application, the D-128, will begin the registration process for making payments through the EFT Program.

The Department will establish an effective date for payments to begin and notify you of this date. If you wish to start making tax payments through the EFT Program prior to this date, you must contact us.

**If you are mandated to make funds immediately available to the state and a payroll service/service bureau makes your employer withholding payment for you, please notify them of the of this requirement. Failure to do so may result in penalties.**

**FEDWIRES ARE FOR EMERGENCIES ONLY!!  
THEY MUST BE PRE-APPROVED  
CALL 803-896-1715**

## ACH CREDIT FORMAT

### TAX PAYMENT (TXP) ADDENDUM (CCD+) FORMAT

Field #	Field Name (Data Elements & Separators)	Field Requirements	Data Element Type	Min/Max Use	Contents
	Segment Identifier	M			TXP
	Separator				*
TXPOI	Taxpayer ID	M	AN	1/15	XXXXXXXXXXXXXXXXXX
	Separator *				
TXPO2	Tax Type Code	M	ID	1/15	XXXXXX
	Separator *				
TXPO3	Tax Period End Date	M	DT	6/6	YYMMDD
	Separator *				
TXPO4	Amount Type	M	ID	1/1	X
	Separator *				
TXPO5	Amount	M	N2	1/1 0	\$\$\$\$\$\$\$cc
	Separator *				
TXPO6	Amount Type	O	ID	1/1	X
	Separator *				
TXPO7	Amount	C	N2	1/10	\$\$\$\$\$\$\$cc
	Separator *				
TXPO8	Amount Type	O	ID	1/1	X
	Separator *				
TXPO9	Amount	C	N2	1/10	\$\$\$\$\$\$\$cc
	Separator *				
TXPIO	Taxpayer Verification	O	AN	1/6	XXXXXX
	Terminator	M			\

## FIELD NAME REQUIREMENTS

SEGMENT IDENTIFIER: "TXP" must be entered in this field. This identifies the transaction as a tax payment.

SEPARATOR : An asterisk (\*) must be entered to separate data elements in the CCD + record.

TAXPAYER ID: The **SC STATE** file number for the tax type being paid is the taxpayer identification.

TAX TYPE CODE : Select the code from the table below, depending on the tax type being paid.

### TAX TYPE CODES FOR WITHHOLDING AND MISCELLANEOUS TAXES

DESCRIPTION	CODE	DESCRIPTION	CODE
911 User's Fee	42714	Electric Power	11701
Admissions	10901	Indigent Health Care	43105
Alcohol:		Motor Fuel:	
Alcohol Case Additional	11005	Environmental Impact	32312
Alcoholic Liquor Excise	11001	Gasoline	32301
Alcoholic Case Retail	11004	Inspection Fee	32314
Alcoholic Liquor Surtax	11007	Special Fuels	32101
Alcoholic Case Wholesale	11003	Public Utility	12450
Alcoholic Liq by the Drink	11009	Radioactive License Fee	41103
Beer Excise	11202	Tobacco Products :	
Bingo	12550	Cigarettes	11401
Brew Pub	11207	Other Tobacco Products	11408
Commercial Nuclear Waste	11101	Wine:	
Deed Recording Fees	11603	Wine Additional	11301
Dry Cleaning:		Wine Excise	11303
Stoddard Solvent Fee	33518	Withholding	10811
Tetra Solvent Fee	33516		

### TAX TYPE CODES FOR CORPORATE TAXES

TAXPAYER	INCOME CODE & EXTENSION CODE	LICENSE CODE	QUARTERLY EXTIMATED CODE
Corporation (Domestic, Foreign or Limited Liability)	10804	10401	10807
Bank	10101	N/A	10103
Savings & Loan	10201	N/A	10203
Utility	10804	10601	10807
Electric Coop	N/A	10601	N/A
Non-Profit Corporation	10804	N/A	10807

TAX PERIOD END DATE      This date must be entered "YYMMDD" (YY = Year; MM = Month; DD = Day). See page 8 (DT) for further information.

AMOUNT TYPE                Enter a "T" for tax, "P" for penalty, or "I" for interest.

AMOUNT                      Enter the dollar amount(s) being paid. The amount field should always contain cents (cc).

TAXPAYER VERIFICATION    This is an optional field that may be used in the future by the South Carolina Department of Revenue to verify the taxpayer's identity.

Example: TXP\*Eight digit SC Taxpayer ID\*Five digit tax type\*YYMMDD\*T\*\$\$\$\$\$\$\nTXP\*12345678\*11111\*090201\*T\*12345\

## ADDENDUM FORMAT DEFINITIONS

AN--The string type data element is symbolized by the representation, AN. Contents of string type data elements are a sequence of letters, digits, spaces, and/or special characters. The contents shall be left-justified. Trailing spaces should be suppressed unless they are necessary to satisfy a minimum length requirement.

AMOUNT--The amount fields are used to carry the dollar amount(s) owed and/or being paid. Only one amount field (TXPO5) is required, the other two amount fields (TXPO7 and TXPO9) are conditional upon the presence of the amount type fields (TXPO6 and TXPO8) respectively. Thus, if TXPO6 is not utilized then TXPO7 will not appear in the convention. When the amount field is used, it should always contain cents (cc). If TXPO6 and TXPO8 are present, TXPO7 and TXPO9 should have an amount (even if zero).

AMOUNT TYPE--The amount type is used to identify the type of amount that follows. To date identified values include, T for Tax, P for Penalty, I for Interest, in that order.

CONDITIONAL (C)--The presence of this field (data element) is dependent on the value or presence of other fields (data elements) in the convention.

DT--The date type data element is symbolized by the representation, DT. Format for the date type is YYMMDD. YY is the last two digits of the year (00-99), MM is the numeric value of the month (01-12), and DD is the numeric value of the day (01-31).

DATA ELEMENT TYPE--The Data Element Type identifies the type of information contained in the data element (field). For instance, AN, ID, DT, N2.

FIELD REQUIREMENT--The field requirement of a field (data element) indicates whether the field is mandatory (M), optional (O), or conditional (C).

ID--The identifier type data element is symbolized by the representation, ID. An identifier data element shall always contain a value from a predefined list of values.

MANDATORY (M)--This field (data element) shall appear in the convention.

MIN/MAX USE--The min/max use of a field specifies the minimum length of a particular field. For example, 1/6 indicates that this data element must carry at least one character, but no more than 6.

N2--The numeric type of field (data element) is represented by the two-position representation, N2. N indicates numeric and 2 indicates the decimal places to the right of a fixed, implied decimal point. The decimal point is not transmitted. It is intended that this number will always be positive for the TXP application. In the TXP convention, the amount fields are defined as N2 type data elements. Thus \$1,200.00 would look as follows \* 120000\*. Note for zero dollar amounts, this data element type may contain one character (0).

OPTIONAL (O)--The appearance of this field (data element) is either at the option of sending party or originator and is based on the mutual agreement of the originator and receiver.

**KEEP THE TRACE NUMBER ISSUED BY YOUR BANK. THIS NUMBER  
WILL HELP TRACE A TRANSACTION IF A PAYMENT IS NOT  
RECEIVED BY THE SOUTH CAROLINA DEPARTMENT OF REVENUE.**



## FAQs REGARDING TRANSMISSION

- Q. When must I transmit to ensure the transfer is timely?**  
A. You must initiate your transaction **on or before** the due date **OR** use the **Payment Warehousing** feature, which allows you to schedule payment of future tax obligations up to 90 days in advance. The **Settlement Date** will be the future due date and the date the funds are actually transferred. For the payment to be timely, it must settle in the state's bank account no later than two banking days after the due date.
- Q. If my tax payment is even dollars, do I still report cents?**  
A. Yes, cents must be reported even if zero.
- Q. Can I change/cancel a previous report?**  
A. Yes, if the change or cancellation relates to today's report prior to the cutoff or a future date (payment warehousing). **To change/cancel the reported information you must use Voice or Web.**
- Q. What is the Tax Period End Date?**  
A. For most taxes, this is the last day of the month (or quarter) from which the tax is determined. For indigent care taxpayers, it is January 1, April 1, July 1, and October 1 of each year. For withholding taxpayers, it is the check date (paycheck, contract payments, rent payments, prize payments, etc.) For corporate taxpayers, it is your accounting period end date.
- Q. Do I have to do a Prenote?**  
A. The prenote test is an industry safeguard used to verify the acceptability of your routing/transit number and bank account number. If the ACH credit method is used, it is strongly recommended that you conduct a prenote through your financial institution. Please contact them for instructions.
- Q. What should I do if I have registered to use ACH Credit and the transmission cannot be made?**  
A. If there is a problem experienced with payments being made through the ACH Credit method, call the South Carolina Department of Revenue. You will be given instructions to follow for making your EFT payment. **DO NOT SEND A FEDWIRE WITHOUT PRIOR AUTHORIZATION.**
- Q. Are payments on amended returns allowed through ACH Credit?**  
A. **No.** Payments on amended returns must be made by cash, check, cashier's check, or money order and attached to the return when filed.
- Q. Are receivable payments to be made through ACH Credit?**  
A. **No.** Do not make payments on tax due notices, assessments, or warrants where penalty and interest have been applied. These payments must be made by cash, check, cashier's check, or money order and attached to the notice. Assessments or warrants for outstanding taxes can be paid by credit card or Electronic Funds Withdrawal (EFW) through the DORePay Electronic Payment System located on our website. For more information on DORePay visit our website at [www.dor.sc.gov](http://www.dor.sc.gov).
- Q. How can I recover funds erroneously transmitted?**  
A. If you have transmitted more than intended, you may call the EFT Help Desk to receive instructions for requesting a refund or possibly applying payment to another period. Refunds will NOT be made electronically through the ACH. Existing procedures for refunds will be followed.

**Q. DO I STILL HAVE TO FILE A RETURN?**

**A. 911 USER'S FEE**

No. If your 911 user's fee is paid by EFT, you do not have to submit a return, form ST-406.

**INDIGENT CARE**

No return is necessary for this tax, whether EFT or not.

**WITHHOLDING**

If you choose the ACH Debit method - DO NOT file Form WH 1601. However, continue to file Forms WH 1605 and WH 1606. If money is required for either Form WH 1605 or WH 1606, send money through EFT and mail the return as you normally do.

If you choose the Cash Method - always include your Forms WH 1601, WH 1605, or WH 1606 with your cash payment.

**CORPORATE**

Sending payments through EFT **relieves** the obligation of sending the SC120-CDP, Corporation Declaration of Estimated Income Tax coupon. **It is still necessary to send the SC1120, Corporate Income Tax Return or the SC1120T, Tentative Corporation Tax Return and Conditional Extension.** (*Failure to send these forms will result in delinquent notices to your company.*)

**ALL OTHER TAXES**

File a timely tax return. You must make certain that "EFT" is indicated on the tax return to insure proper handling of the document.

**PENALTY AND INTEREST**

**Q. WHAT HAPPENS IF I FAIL TO MAKE TIMELY EFT PAYMENTS?**

**A.** You will be subject to penalty and interest as prescribed by law. A person owing \$15,000 or more in connection with any return or a withholding agent making at least 24 payments in a year should pay the tax liability electronically by the federal due date. Section 12-54-43(D) and (E) impose penalties of 0.5% per month, for a maximum of 25% for amounts shown on a return or required to be shown on a return that are not paid by the original due date. For income tax purposes, Section 12-54-55 imposes declaration penalties (equal to the federal interest rate) on underpayments of estimated tax. Section 12-54-25 imposes interest on amounts that are not paid when due.

**Q. WHAT HAPPENS IF I FAIL TO TIMELY FILE MY RETURN?**

**A.** You will be subject to a penalty under Section 12-54-210(A), which provides a penalty of up to \$500 for failure to keep necessary books, papers, memoranda, records, render statements, make returns, or comply with regulations as the department prescribes.

**Q. WHAT HAPPENS IF I AM NOTIFIED TO REGISTER WITH THE PROGRAM, AND I CHOOSE NOT TO COMPLY?**

**A.** You will be subject to a penalty under Section 12-54-210 for failing to file as the department prescribes under Section 12-54-250(D). The department may prescribe alternative means other than paper to file returns and report documents necessary for the administration of this section.

## WEEKENDS AND HOLIDAYS

### **Q. WHAT IF PAYMENT DUE DATE FALLS ON A HOLIDAY OR WEEKEND AND THE METHOD SELECTED IS ACH DEBIT?**

- A. When the last day of a specified time period is a Saturday, Sunday, or a legal holiday, Section 12-60-50 provides that the end of the period is extended to the next business day. If a payment due date falls on a bank holiday or weekend, you must initiate the transaction on or before the banking day following the holiday or weekend. For the payment to be timely, it must settle in the state's bank account no later than two banking days after the date of initiation. See the holiday schedule below to determine when you must initiate an ACH transaction for timely settlement on a tax due date. When further information is required, please call the South Carolina Department of Revenue at 803-896-1715.

### **HOLIDAY SCHEDULE**

Under Section 12-60-50, a legal holiday is any day the department (+) or the offices of the United States Postal Service(\*) are closed. They include:

New Year's Day.....	January 1 *+
Martin L. King Day .....	Third Monday of January*+
Presidents Day.....	Third Monday of February*+
Confederate Memorial Day .....	May 10+
Memorial Day .....	Last Monday in May*+
Independence Day .....	July 4*+
Labor Day .....	First Monday in September *+
Columbus Day .....	Second Monday in October*
Veterans' Day .....	November 11 *+
Thanksgiving Day .....	Fourth Thursday in November*+
Day After Thanksgiving .....	Friday following Thanksgiving Day+
Christmas Eve .....	December 24+
Christmas Day .....	December 25*+
Day After Christmas .....	December 26+

\*Federal Reserve Bank Holiday - If a Federal Reserve holiday falls on a Department due date, the due date moves to the next business day regardless of whether the Department was open on the Reserve holiday or not.

+Department of Revenue Holiday - When a state holiday falls on a Saturday, it will be observed on the preceding Friday.

When a state holiday falls on a Sunday, it will be observed on the following Monday. (Exceptions may apply.)